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Rural Development Announces Opening of Sub-Office in Petersburg, Grant County



Morgantown, WV (Petersburg, WV) – May 11, 2005: Wendell Alt, Rural Development Specialist for USDA Rural Development (shown in the picture) announced that effective March 4, 2005 Rural Development opened a Sub-Office within the Grant County Farm Services Agency (FSA) Office located in the USDA Service Center along North Main Street in Petersburg, WV. Mr. Alt indicates Rural Development will hold office hours for Customers at this new location on the first Thursday of each month from 7:30 AM to 11:30 AM.

“During the current period of prevailing high fuel costs, the opening of this sub-office will provide a more convenient location with less travel expense to local area customers for applying and receiving services under Rural Development’s various loan and grant programs. USDA Rural Development, formerly known as Farmers Home Administration (FmHA), serves as the lead Federal entity for rural development needs and continues to provide loans and grants under its Rural Housing, Multi-Family Housing, Community, and Rural Business-Cooperative Programs.

With Spring upon us and typically being the peak season of the year for home purchases and completion of home repairs, Mr. Alt would like to emphasize Rural Development’s availability of funding sources under its Single Family Housing loan programs. Rural Development can provide Single Family Housing loans to qualifying applicants for purchase of new or existing and also for purchase of building site along with turnkey construction of modest cost housing.

Rural Development can provide loans under the Rural Housing 502 Direct Loan Program to qualifying applicants of Grant County having Adjusted Annual Incomes that do not exceed the LOW Income Limit Maximums ranging from \$24,550.00 for a 1 person household to \$46,250.00 for an 8 person household. Applicants must additionally meet all other eligibility criteria which includes, but is not limited to, possessing: legal age and legal capacity for incurring the requested loan obligation; acceptable credit history; PITI and TD Repayment Ratios that do not exceed maximum authorized limits for supporting loan repayment; lack present ownership of an adequate modest cost dwelling; and inability to obtain financing at reasonable rates and terms from other lending sources. Loans can currently be made in Grant County up to the maximum loan limit of \$125,800.00 at the present fixed note rate of 5.625 % and terms of 33 years, however, with receipt of subsidy to qualifying households, the effective interest rate a

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“USDA is an equal opportunity provider, employer and lender.”
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borrower pays could range from that 5.625 % full note rate to as low as a minimum 1 % effective rate . Borrowers' household income is currently reviewed on an annual basis to determine the amount of subsidy, if any, they qualify for which results in the effective interest rate they pay.

Rural Development additionally provides housing acquisition loans under its Single Family Housing Guaranteed Loan Program in Grant County for primarily the same purposes and in conjunction with compliance of basically the same eligibility requirements as previously indicated for its RH 502 Direct Loan Program, with exception that the Adjusted Annual Income of an applicant's household cannot exceed the MODERATE Income limit maximums ranging from \$46,700.00 for a 1 person household through \$88,050.00 for an 8 person household; the interest rate charged by the participating lender is a negotiable fixed rate that cannot exceed the current Fannie Mae Rate for a 30 year conventional loan with 30 day actual/actual delivery plus .60 %; and the Lender must be unable to make the loan without receipt of the Government's guarantee.

Rural Development also provides Loans and Grants under its Rural Housing 504 Program to current owner/occupants of modest cost single family residences for purpose of performing repairs and home improvements. Under this RH 504 Program RD makes 1 % fixed rate loans up to \$20,000.00 maximum loan amounts with terms not exceeding 20 years in addition to provision of Grants not exceeding \$7,500.00 or a combination of both Loan and Grant not exceeding \$27,500.00 to qualifying existing homeowner/occupants for the purpose of performing development necessary to remove safety or health hazards from their home or for purpose of performing development to modernize, improve, or to accommodate an occupant with a handicap. Eligibility requirements are similar to the eligibility requirements for the RH 502 Direct Loan Program, except applicants for the RH 504 Program in Grant County must have Adjusted Annual Household Incomes that do not exceed the VERY LOW Income limit maximums ranging from \$15,350.00 for a 1 person household to \$28,900.00 for an 8 person household; must currently be the owner and occupant of the home they want developed from receipt of the requested RH 504 assistance; must demonstrate from preparation of a Budget including all household income and debt obligations that they possess the ability to repay any portion of the RH 504 Program assistance being received as a Loan and must additionally support their lack of repayment ability for any portion of the RH 504 assistance being received as a Grant; and applicants must also be 62 years of age or older for any portion of this assistance being received as a Grant.

Robert M. Steptoe, III, West Virginia Rural Development State Director added, "Funds under all three of the aforementioned Rural Housing Loan and Grant programs are subject to a nationwide pooling that is scheduled to occur one month earlier than typically occurring in prior years, so urges applicants to file their applications for processing and obligating as soon as possible prior to conduction of this pooling to avoid conflict of inability to fund during that pooling period when funds are temporarily unavailable and may be exhausted."

Further information on USDA Rural Development may be obtained by visiting their web site at <http://www.rurdev.usda.gov/wv>. In West Virginia, call 1-800-295-8228 to be put in touch with the appropriate personnel serving your county. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA TARGET Center at 202.720.2600 (voice and TDD).